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## Adjudicating Claims for Immunosuppressive Drugs When Medicare Did Not Pay for the Original Transplant

**Note:** This article was updated on July 6, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

Suppliers who bill Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for immunosuppressive drugs

### What You Need to Know

CR 5916, from which this article is taken, implements an automated process for adjudicating claims for immunosuppressive drugs when the beneficiary was enrolled in Medicare Part A at the time of their transplant, even though Medicare did not pay for the transplant.

Make sure that your billing staffs are aware that you must be able to document the date of the patient's transplant, and must include the "KX" Modifier on the claim to attest that you have documentation on file that proves that the beneficiary had the

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transplant for which the immunosuppressive drug was prescribed while the beneficiary was enrolled in Medicare Part A.

## Background

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Medicare covers a beneficiary's immunosuppressive drugs following an organ transplant, provided that the beneficiary receiving the drug was enrolled in Medicare Part A at the time of the organ transplant procedure. Moreover, Medicare will pay for medically necessary immunosuppressive drugs for such a beneficiary whether or not Medicare paid for the transplant itself.

Prior to April of 2006, the Durable Medical Equipment (DME) Regional Carriers (DMERCs) received information about the date of a beneficiary's transplant through a DMERC Information Form (DIF), which included a field in which the supplier could enter a transplant date. However, on February 17, 2006, the Centers for Medicare & Medicaid Services (CMS) issued Transmittal 867, Change Request (CR) 4241, which: 1) eliminated the DIF; and 2) implemented an edit at the Medicare's Common Working File (CWF) system to search the Medicare's Master Beneficiary Record (MBR) for a transplant upon receipt of a claim for an immunosuppressive drug. If the CWF system does not find evidence of a transplant in the MBR, the claim line for immunosuppressive drug is rejected.

Because CWF does not have a transplant record for a beneficiary if Medicare did not actually pay for the procedure, the DME Medicare Administrative Contractors (DME MACs) have been inappropriately denying claims even when such beneficiaries were enrolled in Medicare Part A at the time of their transplant.

To resolve this issue, CR 5916, from which this article is taken, implements an automated process for adjudicating claims for immunosuppressive drugs when the beneficiary was enrolled in Medicare Part A at the time of their transplant, but Medicare did not pay for the transplant.

Specifically, CR 5916 requires that:

- For claims filed on and after July 1, 2008, suppliers who furnish an immunosuppressive drug to a Medicare beneficiary (in association with a previous organ transplant): 1) Secure from the prescriber the date of the organ transplant, 2) Retain documentation of the transplant date in its files, and 3) Annotate the Medicare claim for the drug with the "KX" modifier to signify both that the supplier retains the documentation of the beneficiary's transplant date and that the transplant date precedes the Date of Service (DOS) for furnishing the drug.

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- For claims received on and after July 1, 2008, DME MACs will accept claims for immunosuppressive drugs without a KX modifier but will deny such claims if the MBR shows that Medicare has made payment for an organ transplant on a date that precedes the date of service (DOS) of the immunosuppressive drug claim.

Suppliers should note that the use of the KX modifier, in the context of a claim submitted to Medicare in order to receive payment for an immunosuppressive drug, signifies that the supplier attests that it has on file documentation that the beneficiary has undergone an organ transplant on a particular date while enrolled in Medicare Part A and that the immunosuppressive drug has been prescribed associated with that transplant.

A supplier who has not determined (or does not have documentation on file to support a determination) that the beneficiary either did not receive an organ transplant, or was not enrolled in Medicare Part A as of the date of the transplant; may not: 1) Bill Medicare for furnishing an immunosuppressive drug, 2) bill or collect any amount from the beneficiary for such a drug, or 3) issue an Advance Beneficiary Notice (ABN) to the beneficiary.

## Additional Information

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The official instruction, CR 5916, issued to your DME MAC is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1448CP.pdf> on the CMS website. The revised *Medicare Claims Processing Manual, Chapter 17* (Drugs and Biologicals), Section 80.3 (Billing for Immunosuppressive Drugs) is an attachment to that CR.

If you have any questions, please contact your DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

**News Flash - It's Not Too Late to Give and Get the Flu Shot!** In the U.S., the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu. Get Vaccinated!** Remember - Influenza and pneumococcal vaccinations and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. You and your staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition MLN Matters article SE0748 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE0748.pdf> on the CMS website.

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